employment and rural development programmes under the Twenty Point Programme.

Direct investment by Indians abroad.

1147. SHRI GOVINDRAO ADIK: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have prepared a set of guidelines for Indian investment in joint ventures and wholly owned subsidiaries abroad;

(b) whether Government have formed a Committee for this purpose; and

(c) if so, the details thereof including the guidelines prepared therein?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c) Yes Sir. Government have revised the Guidelines for Indian investment in joint ventures and wholly owned subsidiaries abroad. The revised guidelines have been notified on 17.8.95. The salient features of these guidelines are as under:

(i) All applications for grant of approval for setting up of joint ventures/wholly owned subsidiaries abroad will now be made to and processed by the Reserve Bank of India (Exchange Control Department), Bombay.

(ii) The total investment by an Indian party under the fast track (Category "A") has been revised upward from US$ 2 million to US$ 4 million, provided the amount of investment is upto 25% of annual average export earnings of the company in the preceding three years, and the proposal is FE neutral over a period of five years. Out of the overall limit of US$ 4 million, the Indian party may opt for cash remittance or capitalisation of fees/royalties/export proceeds, or give loans or corporate guarantees.

(iii) Cases under the normal route (Category "B") i.e. cases involving investments beyond US$ 4 million but not exceeding US$ 15 million, or those not falling under the fast track category will be processed by RBI through a Special Committee, to be chaired by Commerce Secretary, with the Deputy Governor, RBI as the alternate Chairman. This Committee has since been constituted by the RBI, and has as members representatives of the Ministry of Commerce, Ministry of Finance, Ministry of External Affairs and the RBI.

(iv) Investment proposals in excess of US$ 15 million will be considered if the required resources beyond US$ 15 million are raised through the GDR route. Investment proposals beyond US$ 15 million without the GDR resources will be considered only in very exceptional circumstances where the company has a strong track record of exports. All cases involving investment beyond US$ 15 million will be received in the RBI and transmitted, with the recommendations of the Special Committee, to the Ministry of Finance for examination keeping in view the overall benefit.

(v) A final decision will be communicated by the RBI within 21 days in respect of applications under Category "A" and 60 days in respect of applications under Category "B".

(vi) In special cases involving acquisition through participation in time bound bidding/tender procedures, the RBI may grant "in principle" approval.

Subsidised wheat to Roller Flour Mills

1148. SHRI VIRENDRA KATARIA: will the Minister of FOOD be pleased to state:

(a) whether Government are aware that the roller flour mills getting wheat at

subsidised rate from FCI, under the open sale scheme, have been selling atta, maida and other products of wheat at exorbitant rates;

(b) if so, what action Government have taken against mill owners who have neglected the very purpose of the scheme; and

(c) the outcome in this regard?

THE MINISTER OF FOOD (SHRI AJIT SINGH): (a) to (c) Food Corporation of India is selling wheat under open Market Sale Scheme to buyers including Roller Flour Mills, Foodgrains wholesalers and retailers, State Civil Supplies Corporations, Cooperatives etc. with the objective of stabilising the open market price behaviour of wheat and at the same time to liquidate certain stocks to minimise carrying cost of stocks and hence subsidy. Since the delicensing of Roller Flour Mills, Government has no control over the working of RFMs. and the prices of their bye-products of wheat. However, all the states, where open sale of wheat is in operation, have been advised to ensure the availability of wheat products to consumers at reasonable rates in conformity with the open sale prices of wheat in the State in view of the wheat being sold to them at subsidised rates. A copy of the instructions issued to State Govts. is given in the statement.

Statement

Instructions issued by Govt. in regard to the prices wheat.

No. 9.(9)/94-DR-III
Government of India
Ministry of Food
(Deptt. of Food Procurement and Distribution)
krishi Bhavan, New Delhi
dated the 5th Sept. 1995.

To

All the Food Secretaries (Except J&K & N.E. States)

Subject:—Availability of wheat and wheat products to the Consumers at, reasonable rates.

Sir,

I am directed to say that FCI has been allowed to sell wheat in the open market at prices which are lower than its economic cost. Among other objectives, the main aim of the Govt. was to ensure availability of wheat and wheat products to consumers at reasonable prices.

2. The Standing Committee on Ministry of Food & Civil Supplies and Public Distribution in their 12th Report has observed that the roller flour mills who have been supplied wheat at subsidised rates under the open sale operation of FCI were selling Atta, maida and other bye-products of wheat at exorbitant rates, thus negating the very purpose of the open sale scheme.

3. As the raw material for atta, maida, suji and other wheat products is being provided at reasonable rates, miller/traders are expected to pass on the benefit to the consumers by selling the wheat products at reasonable rates. You are, therefore, requested to take necessary action in the matter to ensure that the prices of wheat and wheat products remain at levels in confirmity with the open sale prices of wheat in your State.

Yours faithfully,
SD/-
(SURENDRA KUMAR)
Joint Secretary to the Govt. of India

हरियाणा में भारतीय खाद्य निगम को हुई हानि

1149. **श्री सत्य प्रकाश मालवीय:**
श्री अनन्तराम जायसवाल:

क्या खाद्य मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि भारतीय खाद्य निगम को हरियाणा क्षेत्र में करोड़ों रुपये की हानि हुई है;

(ख) यदि हां, तो कितनी धन-राशि की हानि हुई है और क्या सरकार ने इसके संबंध में किसी जांच के आदेश दिये हैं; यदि हां, तो जांच प्रतिवेदन कब तक प्राप्त होने की संभावना है;